

AN ACT

relating to health care services provided or paid by certain hospital districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.066, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) A hospital district may recover, from the eligible resident perpetrating a fraud, an amount equal to the value of any fraudulently obtained health care services provided to the eligible resident disqualified under this section.

SECTION 2. Subchapter C, Chapter 61, Health and Safety Code, is amended by adding Section 61.067 to read as follows:

Sec. 61.067. LIEN BY NON-PROVIDER HOSPITAL DISTRICT.

(a) This section applies to a hospital district that does not operate a hospital.

(b) After the hospital district pays the providing hospital for the actual cost of the service, the district may file a lien on a tort cause of action or claim of an eligible resident who receives health care services for injuries caused by an accident that is attributed to the negligence of another person.

(c) A person who applies for or receives health care services shall inform the hospital district, at the time of application or at any time during eligibility for services, of:

(1) any unsettled tort claim that may affect medical

1 needs;

2 (2) any private accident or health insurance coverage
3 that is or may become available; and

4 (3) any injury that is caused by the act or failure to
5 act of some other person.

6 (d) An applicant or eligible resident shall inform the
7 hospital district of information required by Subsection (c) within
8 30 days of the date the person learns of the person's insurance
9 coverage, tort claim, or potential cause of action.

10 (e) A claim for damages for personal injury does not
11 constitute grounds for denying or discontinuing services under this
12 chapter.

13 (f)(1) A lien under this chapter attaches to:

14 (A) a tort cause of action for damages arising
15 from an injury for which the injured eligible resident receives
16 health care services;

17 (B) a judgment of a court in this state or the
18 decision of a public agency in a proceeding brought by the eligible
19 resident or by another person entitled to bring the suit in case of
20 the death of the eligible resident to recover tort damages arising
21 from an injury for which the eligible resident receives health care
22 services; and

23 (C) the proceeds of a settlement of a tort cause
24 of action or a tort claim by the eligible resident or another person
25 entitled to make the claim, arising from an injury for which the
26 eligible resident receives health care services.

27 (2) If the eligible resident has health insurance, the

1 providing hospital is obligated to timely bill the applicable
2 health insurer in accordance with Chapter 146, Civil Practice and
3 Remedies Code.

4 (g) The lien does not attach to a claim under the workers'
5 compensation law of this state, the Federal Employees Liability
6 Act, or the Federal Longshore and Harbor Workers' Compensation Act.

7 (h) A hospital district's lien established under Subsection
8 (b) is for the amount actually paid by the hospital district for
9 services provided to the eligible resident for health care services
10 caused by an accident that is attributed to the negligence of
11 another person.

12 (i) To secure the lien, a hospital district must file
13 written notice of the lien with the county clerk of the county in
14 which the services were provided. The notice must be filed and
15 indexed before money is paid by the third-party liability insurer.
16 The notice must contain:

17 (1) the injured individual's name and address;

18 (2) the date of the accident;

19 (3) the name and location of the hospital district
20 claiming the lien; and

21 (4) the name of the person alleged to be liable for
22 damages arising from the injury, if known.

23 (j) The county clerk shall record the name of the injured
24 individual, the date of the accident, and the name and address of
25 the hospital district and shall index the record in the name of the
26 injured individual.

27 (k) The procedures set forth in Sections 55.006 and 55.007,

1 Property Code, for discharging and releasing the lien shall apply
2 to liens filed under this section.

3 (1) Procedures established by a hospital district for
4 administrative hearings under this section shall provide for
5 appropriate due process, including procedures for appeals.

6 SECTION 3. Subchapter B, Chapter 281, Health and Safety
7 Code, is amended by adding Section 281.0286 to read as follows:

8 Sec. 281.0286. TARRANT COUNTY HOSPITAL DISTRICT;
9 EMPLOYMENT OF PHYSICIANS. (a) The board of the Tarrant County
10 Hospital District may appoint, contract for, or employ physicians
11 as the board considers necessary for the efficient operation of the
12 district.

13 (b) The term of an employment contract entered into under
14 this section may not exceed four years.

15 (c) This section may not be construed as authorizing the
16 board of the Tarrant County Hospital District to supervise or
17 control the practice of medicine, as prohibited by Subtitle B,
18 Title 3, Occupations Code.

19 (d) The authority granted to the board of the Tarrant County
20 Hospital District under Subsection (a) to employ physicians shall
21 apply as necessary for the district to fulfill the district's
22 statutory mandate to provide medical care for the indigent and
23 needy residents of the district as provided by Section 281.046.

24 (e) The medical executive committee of the Tarrant County
25 Hospital District shall adopt, maintain, and enforce policies to
26 ensure that a physician employed by the district exercises the
27 physician's independent medical judgment in providing care to

1 patients.

2 (f) The policies adopted by the medical executive committee
3 under this section must include:

4 (1) policies relating to:

5 (A) governance of the medical executive
6 committee;

7 (B) credentialing;

8 (C) quality assurance;

9 (D) utilization review;

10 (E) peer review;

11 (F) medical decision-making; and

12 (G) due process; and

13 (2) rules requiring the disclosure of financial
14 conflicts of interest by a member of the medical executive
15 committee.

16 (g) The medical executive committee and the board of the
17 Tarrant County Hospital District shall jointly develop and
18 implement a conflict management process to resolve any conflict
19 between a policy adopted by the medical executive committee under
20 this section and a policy of the Tarrant County Hospital District.

21 (h) A member of the medical executive committee who is a
22 physician shall provide biennially to the chair of the medical
23 executive committee a signed, verified statement indicating that
24 the member of the medical executive committee:

25 (1) is licensed by the Texas Medical Board;

26 (2) will exercise independent medical judgment in all
27 medical executive committee matters, including matters relating

1 to:

2 (A) credentialing;

3 (B) quality assurance;

4 (C) utilization review;

5 (D) peer review;

6 (E) medical decision-making; and

7 (F) due process;

8 (3) will exercise the committee member's best efforts
9 to ensure compliance with the policies that are adopted or
10 established by the medical executive committee; and

11 (4) will report immediately to the Texas Medical Board
12 any action or event that the committee member reasonably and in good
13 faith believes constitutes a compromise of the independent medical
14 judgment of a physician in caring for a patient.

15 (i) For all matters relating to the practice of medicine,
16 each physician employed by the Tarrant County Hospital District
17 shall ultimately report to the chair of the medical executive
18 committee for the district.

19 SECTION 4. This Act applies only to the filing of an
20 application for services or receipt of services as described by
21 Section 61.067, Health and Safety Code, as added by this Act, on or
22 after the effective date of this Act. The filing of an application
23 for services or receipt of services before the effective date of
24 this Act is governed by the law in effect on the date of filing or
25 receipt of services, and the former law is continued in effect for
26 that purpose.

27 SECTION 5. This Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 303 passed the Senate on May 9, 2011, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 303 passed the House, with amendment, on May 24, 2011, by the following vote: Yeas 144, Nays 1, three present not voting.

Chief Clerk of the House

Approved:

Date

Governor